Arçelik Anonim Sirketi is the Dow Jones Sustainability Indices (DJSI) Industry Leader*, based on its S&P Global ESG Score as of 13 Nov 2020. This report provides an overview of the performance of the Household Durables industry and the relative positioning of Arçelik Anonim Sirketi at the dimension and criteria level.

Industry Drivers
The household durables industry includes home electronics, home furnishings, and household appliances. It is characterized by continuously evolving consumer preferences for customized products, advances in technology (e.g., The Internet of Things), and automation, plus increasing demand for eco-friendly products and smart homes. The industry faces opportunities and challenges related to global trends. This includes a growing world population, an expanding middle class, urbanization, and climate change. Successful companies in this industry stand out through brand management, innovation, product quality and safety, and customer service. Leading companies proactively integrate sustainability into their business models by focusing on product stewardship, operational eco-efficiency, responsible sourcing, enhanced transparency, and product labeling, as well as end-of-life solutions for customers. Increased connectivity of household appliances brings many benefits, but also increases the risks of data breaches, making cybersecurity a top priority.

Company Performance
S&P Global has selected the most relevant criteria in each sustainability dimension based on their weight in the assessment and their current or expected significance for the industry. The spider chart below visualizes the performance of the industry leader against the best score achieved in each criterion and the average industry score.
Corporate Sustainability Assessment

The Corporate Sustainability Assessment (CSA) is a comprehensive annual evaluation of companies’ sustainability practices and performance, with a coverage of over 7,300 companies representing approximately 95% of global market capitalization. The CSA is one of the longest standing ESG rating methodologies worldwide, dating back to 1999. The CSA assesses companies on the basis of 80–120 industry-specific questions across 61 industries. S&P Global ESG Scores, calculated from the CSA, are from 1 to 100 (best).

In SustainAbility’s Rate the Raters 2019 report, companies rated the CSA as the most useful ESG assessment thanks to its high level of transparency, its sector-specific view of material ESG issues, and its forward-looking incorporation of emerging sustainability risks and opportunities. In the 2020 report, which looked at the investor perspective, the CSA came out top among the highest-quality ratings and was cited as a “strong signal of sustainability.”

The CSA focuses on financially material economic, environmental, and social factors that are relevant to companies’ success, but that are underresearched in conventional financial analysis. Every year, the CSA undergoes rigorous methodological review in order to ensure that the most current material sustainability topics, as well as emerging, long-term sustainability themes often of interest to investors are reflected, and companies are challenged on topics that lack disclosure today.

As of January 2020 the CSA is issued by S&P Global, where it forms the foundation of company ESG disclosure to S&P Global for financially material ESG factors and will underpin the ESG research across our different divisions (S&P Global Ratings, S&P Dow Jones Indices and S&P Global Market Intelligence).

For over 20 years the results of the CSA are used for the annual rebalancing of the iconic Dow Jones Sustainability Indices (DJSI). CSA scores are used in numerous other S&P Dow Jones indices including the S&P 500 ESG.

S&P Global ESG Scores are made available to the global Financial markets via S&P Global Market Intelligence platforms, robustly linked to financial and industry data, research and news, providing integral ESG intelligence to make business and financial decisions with conviction.

Companies’ data and benchmarks from the CSA can now feed seamlessly into the analysis for S&P Global Ratings ESG Evaluation should companies want a forward-looking long-term opinion of their ability to handle future risk and opportunities.

Learn all about S&P Global’s ESG Solutions: www.spglobal.com/ESG

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* Please note that DJSI Industry Leader status is determined on 13 Nov 2020, covering only companies eligible for inclusion in the Dow Jones Sustainability Indices. As the number of assessed companies increases throughout the year, the ranking of companies within an industry may also change.

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